

South Dakota Priorities:
A Record of Success in the 106th Congress



A review of the 106th Congress, and a look forward to the 107th

by
U. S. SENATOR
TIM JOHNSON

Table of Contents

Agriculture

| | |
|---|----|
| Restoring Free Enterprise to Livestock Markets | |
| Implementation of Mandatory Price Reporting | 5 |
| The RANCHER Act to prohibit packers from owning livestock | 6 |
| Country-of-Origin Meat Labeling | 7 |
| USDA Quality Grading for Beef and Lamb | 8 |
| Providing Family Farmers with a Safety Net | |
| Flex Fallow Approach to Fix the 1996 Farm Bill | 9 |
| Emergency Relief for Family Farmers and Ranchers in 2000 | 10 |
| Improving Crop Insurance Coverage and Affordability | 11 |
| Conserving Our Natural Resources for Future Generations | |
| Enactment of a CRP-Wetlands Conservation Pilot Program | 12 |
| Expanding the Conservation Reserve Program (CRP) | 14 |
| Expanding Value-Added and Trade Opportunities for Agriculture | |
| South Dakota Value-Added Agriculture Development Funding | 15 |
| Mediation Program Reauthorized for Farmers and Ranchers | 16 |
| Normal Trading Relations between the U.S. and China | 17 |

Children and Families

| | |
|---|----|
| Strengthening South Dakota Families | |
| SDSU School Safety Resource Center | 19 |
| Adoption | 20 |
| Reauthorization of the Violence Against Women Act | 21 |

Cultural and Natural Resources

| | |
|---|----|
| Preserving our state's unique resources | |
| Updating the Missouri River Master Manual | 23 |
| The Conservation Reinvestment Act (CARA) | 24 |
| Minuteman Missile National Historic Site | 25 |
| Spirit Mound | 26 |
| Lewis and Clark Waterfront Trail in Pierre and Ft. Pierre | 27 |
| Forest Fire Relief | 28 |
| Rocky Mountain Research Station | 29 |
| Fossil Research | 30 |

Education

| | |
|---|----|
| Fighting for Quality Education and Safe Schools | |
| School Modernization | 31 |
| After-School Programs | 32 |
| Impact Aid | 33 |

Native American Issues

A Stronger Future for Native Americans

| | |
|--|----|
| Tribal College Construction and Funding | 34 |
| Wakpa Sica Reconciliation Place | 35 |
| Native American School Bonding Initiative | 36 |
| Amending The Federal Unemployment Tax Act (FUTA) | 37 |

Prescription Drugs and Health Care

Affordable Health Care and Prescription Drugs

| | |
|---|----|
| Prescription Drug Fairness For Seniors Act | 38 |
| International Prescription Drug Parity Act | 39 |
| Generic Pharmaceutical Access and Consumer Choice | 40 |
| Greater Access to Affordable Pharmaceutical Act | 41 |
| Medicare Reimbursements for Health Care Providers | 42 |
| Telemedicine Expansion | 43 |
| State Childrens Health Insurance and Block Grants | 44 |

Quality of Life

Improving Opportunities for Working Americans

| | |
|---|----|
| Kyl-Johnson Federal Prisoner Health Care Copayment Act | 45 |
| Methamphetamine Anti-Proliferation Act | 46 |
| Reauthorization of the Older Americans Act | 47 |
| Bringing Local Broadcast Channels to Rural America | 48 |
| Preserving Small Towns and Family Businesses | 49 |
| Enhanced National Security Coupled with Economic Growth | 50 |
| Bankruptcy Reform | 51 |
| Expanded Rural Telecommunications | 52 |

South Dakota Infrastructure

Developing Opportunities Throughout Our State

| | |
|---|----|
| Community Development Financial Institution (CDFI) Fund | 53 |
| Lewis and Clark Rural Water System | 54 |
| Historic Homestake Opera House in Lead | 55 |
| SDSMT Advanced Materials Processing Center | 56 |
| Weather Radio Warning System | 57 |

Veterans, Military Retirees and National Defense

National Security Begins With Those Who Serve Our Nation

| | |
|---|----|
| Johnson-McCain "Promises" Bill for Military Retirees | 58 |
| Veterans Health Care | 59 |
| Korean War Service Medal for South Dakota Veterans | 60 |
| Private Relief Legislation for South Dakota Widow | 61 |
| Johnson-Collins Veterans Higher Education Opportunities Act | 62 |
| Global Hawk | 63 |
| Improvements at Ellsworth and the SD National Guard | 64 |

Fiscal Responsibility

Maintaining Financial Integrity

| | |
|--|----|
| Relief for Working Americans while Protecting the Federal Treasury | 65 |
|--|----|

Implementation of Mandatory Price Reporting

***In November,
Tim announced
that mandatory
price reporting
would finally
become a
reality...***

South Dakota's livestock producers should take great pride in the fact that they are largely responsible for the finalization of national mandatory price reporting. South Dakota became the first state in the nation to implement a price reporting law in 1999, prompting other states and Congress--under the leadership of Senators Tim Johnson and Tom Daschle--to follow suit shortly thereafter.

In November, Tim announced that mandatory price reporting would finally become a reality with the implementation announcement issued by the United States Department of Agriculture (USDA). Price reporting will shed light on the marketing arrangements used by meatpackers to procure livestock for slaughter. This reporting is essential because many of the so-called purchasing practices used by packers to procure livestock today are not conducted in the spot or cash market, but rather through packer ownership and captive supplies.

Current market reports do not disclose these pricing arrangements. Yet, livestock producers depend upon sound transaction data in order to have confidence in prevailing prices and future

sales. USDA estimates that between 80 and 95 percent of all cattle, boxed beef, slaughter hogs, sheep, lamb meat, and imported lamb meat transactions will be publicly reported as a result of the legislation sponsored by Johnson and Daschle.

As a member of the Senate Agriculture Committee, Tim helped write the price reporting legislation that was passed by the committee on July 29, 1999. Eventually, this same legislation was added to the FY 2000 Agriculture Appropriations bill that passed Congress and was signed into law by the President in October of 1999.

Implementation of price reporting legislation is a good first step toward restoring confidence in the livestock market. Tim will work with the new Administration to implement these mandatory price reporting rules, and was successful in scheduling meetings in Rapid City on January 10th and Sioux Falls on January 25, to explain the new requirements.

Ultimately, however, much more will need to be done to promote a competitive livestock market. Tim will continue to lead the fight for livestock producers, promoting free enterprise throughout his service in the Senate.

The RANCHER Act to prohibit meatpackers from owning livestock

Senator Tim Johnson is the chief sponsor of legislation to reestablish a free, fair, and competitive cash market for independent livestock producers. Johnson's legislation, known as "The RANCHER Act," (S.1738) would forbid meatpackers from owning livestock prior to slaughter. Johnson's bill has received the endorsement of a bipartisan group of cosponsors, including Senators Charles Grassley (R-IA); Craig Thomas (R-WY); Tom Daschle; Tom Harkin (D-IA); and others. His legislation is timely because some in the meatpacking industry are making aggressive moves to deny market access to family farmers and ranchers at this time.

One example of this type of anti-competitive practice came to the public's attention in the fall of 1999, when pork conglomerate Smithfield Foods announced their intentions to own all the hogs currently held by Murphy Farms. This move would effectively eliminate the need for Smithfield to buy hogs from independent producers. "Merger mania" continued into 2000, when Tyson Foods offered to buy Iowa Beef Processors Inc. (IBP). A merger of this magnitude would create the world's largest pork, beef and poultry processor.

Given the likelihood that a Tyson - IBP merger could permanently damage fair and free competition in livestock markets, Johnson called for an immediate federal-level investigation of this potential acquisition. Johnson is concerned that a merger between these two giants would almost certainly ensure little or no bargaining power for independent livestock producers. While these conglomerates are reaping record profits, family farmers and ranchers are losing the grips on their operations.

Tim's RANCHER Act is retroactive, requiring meatpackers to divest of ownership interests in livestock. It also directly addresses the potential Tyson and IBP merger. Additionally, the legislation exempts producer owned and controlled cooperatives and small producer owned meatpackers.

Senator Tim Johnson is the sponsor of legislation to reestablish a free, fair and competitive cash market for independent livestock producers.

Sponsors of "The RANCHER Act" (S.1738) during the 106th Congress

Primary sponsor:

U.S. Senator Tim Johnson (D-SD)

Cosponsoring U.S. Senators:

Jeff Bingaman (D-NM)
Kent Conrad (D-ND)
Tom Daschle (D-SD)
Byron Dorgan (D-ND)
Charles Grassley (R-IA)

Tom Harkin (D-IA)
Robert Kerrey (D-NE)
Craig Thomas (R-WY)
Paul Wellstone (D-MN)

Restoring Free Enterprise to Livestock Markets

Country-of-Origin Meat Labeling

Tim first introduced country-of-origin meat labeling legislation when he was a member of the House of Representatives, and has continued to push this legislation in the Senate. A bipartisan coalition of sixteen senators have cosponsored S. 242, which will require country-of-origin labeling for muscle cuts and ground products of beef, lamb, and pork.

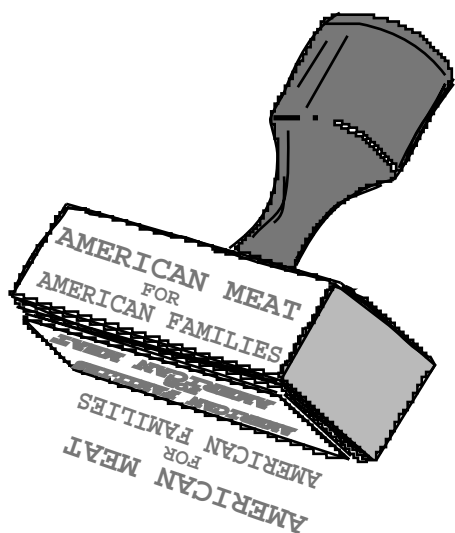
During the FY 1999 appropriations process in the Senate, Tim offered his meat labeling legislation as an amendment to the Agriculture Appropriations bill. The Senate approved Tim's meat labeling provision by unanimous consent. Unfortunately, when House and Senate members met in conference committee to iron out the differences in

the two chambers' versions of the bill, the meat labeling provision was killed by House Republican members on a party line vote.

Last year, a small number of organizations petitioned the U.S. Department of Agriculture (USDA) to create a voluntary U.S. beef certification program. Although this was a good faith effort, most producers prefer Tim's legislation, which is mandatory and covers lamb and pork in addition to beef.

Furthermore, the voluntary beef certification program would permit packers to certify as "U.S. beef" cuts from cattle which had been in the United States only 100 days. Tim, like most producers, believes that certified "U.S. beef" should come from animals born, raised, and slaughtered in this country.

Meat labeling legislation will continue to be a critical issue for Tim in the Senate. It promotes open trade, enjoys wide support from farmers and ranchers, and gives consumers the information they want and deserve. It should be noted that both the EU and Japan implemented country-of-origin meat labeling in 2000.



Restoring Free Enterprise to Livestock Markets

USDA Quality Grading for Beef and Lamb

Early in the 106th Congress, Senator Tim Johnson introduced the Truth in Quality Grading Act (S. 241). This bill would prohibit imported beef and lamb from displaying USDA quality grade stamps.

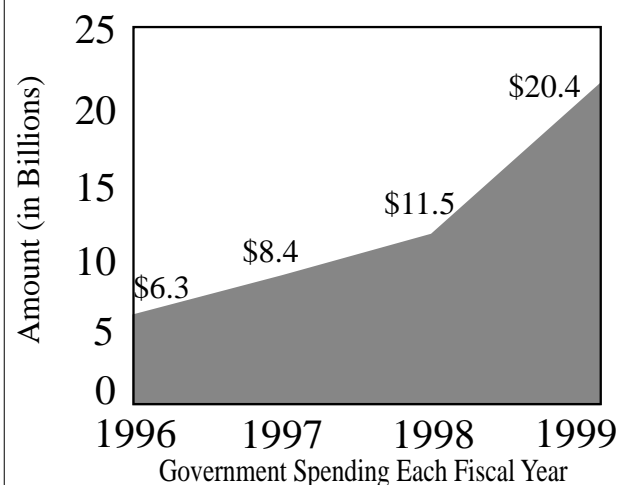
Currently, foreign meat producers can use of the USDA quality grade marking as a marketing tool. Even though the meat was produced in another country, the USDA grade often misleads consumers into believing that imported meat was produced in the United States. Tim's legislation aims to prevent foreign countries from camouflaging imported meat by marketing it under USDA quality grades.

Last year, Tim worked with livestock producers to convince the Administration and Agriculture Secretary Dan Glickman to propose a regulatory change to restrict the use of USDA quality grades on imported beef and lamb. The proposed rule, when finalized, will restrict USDA quality grades on imported beef, lamb, and veal. Although this regulation itself is a modest step in the right direction, the combination of Tim's mandatory price reporting legislation and the quality grading restriction should prove to be

powerful tools in the fight to restore free and fair competition to the marketplace for livestock producers.

President-elect George W. Bush has selected Ann Veneman to serve as USDA Secretary in his administration, and Tim has already contacted her to urge continued support for quality grading restrictions in the Bush administration.

Under the current farm bill, taxpayers are spending more than ever on agricultural programs...



Fighting for a Farm Bill that Provides a Safety Net for Family Farmers Flex Fallow Approach to Fix the 1996 Farm Bill

In spring of 2000, two South Dakota farmers approached Senator Tim Johnson with an alternative proposal to the current farm bill. Their plan would accomplish the dual objectives of allowing farmers the freedom to make planting decisions while also assuring greater price stability in the market. Tim immediately recognized that their proposal, known as "Flex Fallow," had a great deal of merit, and adapted their plan into legislation.

Last summer, Tim introduced his "Flex Fallow" bill (S. 2818) which would permit farmers to conserve up to 30% of their total cropland acreage each year. In exchange for their voluntary idling of those acres, participants would receive higher loan rates for their remaining crop production. Tim's legislation would mark a significant improvement over the present

farm bill, in that participation is voluntary and producers would each year be given the option of participating or withdrawing from the program, allowing them to respond to changes in the marketplace. In essence, the plan would preserve the planting flexibility of the current farm bill, while also providing a safety net, which is lacking in present farm policy.

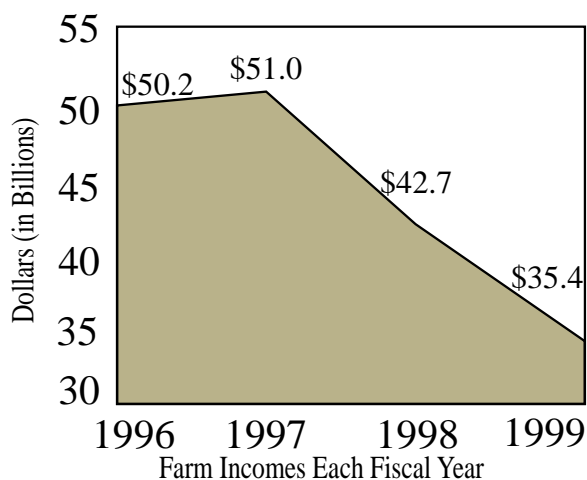
Neil Harl of Iowa State University,

arguably the most respected agricultural economist in the country, has enthusiastically endorsed Tim's Flex Fallow proposal. Harl describes Flex Fallow as "the missing link to the 1996 farm bill." He believes this proposal will function in a market oriented fashion and ensure that "farmers continue to make production decisions based upon their own operations in a manner that makes economic sense."

Although Congress has not yet acted to remedy the deficiencies in the existing farm program, Tim is pleased that his Flex Fallow legislation was introduced late last September in the House of Representatives. Rep. Doug Bereuter (R-NE) introduced the bill as H.R. 5205, and Rep. David Minge (D-MN) co-sponsored the measure. Significantly, the Chairman of the House Agriculture Committee, Rep. Larry Combest (R-TX), has publicly stated he will consider Tim's Flex Fallow bill as Congress begins to re-write the farm bill next year. This demonstration of broad support for Tim's legislation should offer a glimmer of hope to producers, who have suffered too long from low market prices.

Ultimately, agricultural producers must be able to profit from a fair and free marketplace. Agriculture is the backbone of South Dakota's economy. Too many farmers and ranchers are being forced out of business right now, which directly affects rural communities, schools, and businesses. Helping our family farmers and ranchers survive this multi-year economic crisis is a top priority for Tim.

...but farm incomes are dropping like a rock!



Fighting for a Farm Bill that Provides a Safety Net for Family Farmers Emergency Relief for Family Farmers and Ranchers in 2000

The commodity price forecast for farmers and ranchers remained clouded throughout 2000, a situation which has not improved since late in 1997. Crop prices have crashed, with corn and wheat prices at a 14 year lows and soybeans prices at a 28 year low. According to the

U.S. Department of Agriculture (USDA), calendar year 2000 direct farm payments amounted to \$23 billion--a level which exceeds the previous record of \$20 billion in 1999 and \$16 billion in 1987. The 2000 farm payments were necessary to offset farmers' income losses due to collapsed market prices.

...Tim Johnson would prefer to rewrite the farm bill in a way that provides an immediate income safety net for farmers, thereby alleviating the need to provide multibillion dollar emergency relief packages year after year.

Senator Tim Johnson would prefer to rewrite the farm bill in a way that provides an immediate income safety net for farmers, thereby alleviating the need to provide multibillion dollar emergency relief packages year after year. Unfortunately, the leadership in the 106th Congress refused to offer an opportunity to make meaningful farm policy changes. Therefore, Tim fought to secure the necessary emergency assistance to keep South Dakota producers operating in the short term, until improvements can be made to the farm bill which will provide long-term security for producers.

Fighting for a Farm Bill that Provides a Safety Net for Family Farmers Improving Crop Insurance Coverage and Affordability for Farmers

Farming is a risky enterprise because agricultural producers are forced to manage both production and price risks on a daily basis. Senator Tim Johnson believes an affordable and comprehensive crop insurance program needs to be available to insure farmers' production losses. That's why he cosponsored bipartisan crop insurance reform measures in 1999 with Senators Bob Kerrey (D-NE) and Pat Roberts (R-KS). The bill he cosponsored was adopted by Congress in 2000.

Tim fought to significantly reduce the farmer cost of acquiring crop insurance, and benefits should be experienced by farm-

ers in 2001, with the implementation of the Agricultural Risk Protection Act of 2000. The reforms should provide producers with more dependable crop insurance coverage. Tim worked to make crop insurance more affordable, and to grant farmers cost savings for higher levels of yield and price coverage.

For the first time in history, federal crop insurance will also offer a buy-down on the cost of revenue insurance products. Tim also fought for changes that improve coverage for farmers who suffered multiple years of loss due to natural disasters.

Conserving Our Natural Resources for Future Generations

Enactment of a CRP-Wetlands Conservation Pilot Program

During the 106th Congress, Tim and Senator Daschle introduced S. 2980, the Conservation of Farmable Wetland Act of 2000, a bill adopted by Congress and signed by the President.

Once again, the idea for this important legislation started in South Dakota. A real battle over the management of farmed wetlands has waged over the years between farmers who own and farm the productive land where these wetlands are located and conservation groups, who believe these wetlands should be maintained in their natural state.

This past year, over thirty South Dakota farm, conservation, wildlife, and environmental groups developed an "Agreement in Principle" to allow farmed wetlands to become eligible for the Conservation Reserve Program (CRP). After a meeting Tim arranged with the leadership of these groups near Renner, South Dakota, he suggested that if USDA would not administratively implement the agreement, he would work with Senator Daschle to legislate a

pilot project for South Dakota. The approach would demonstrate that this kind of approach to farming and wetlands could work to everyone's benefit.

The suggestion was well received, and Senators Johnson and Daschle introduced S. 2980. A modification of his legislation passed the Senate and was signed by the President. The changes resulted in expanding this program to the Prairie Pothole Region of the United States, including South Dakota, North Dakota, Minnesota, Nebraska, Iowa, and Montana. Eligibility is limited to 500,000 acres in those states, with an assurance that access be distributed fairly among interested CRP participants.

Tim believes this pilot project will provide landowners an alternative to farming these highly sensitive wetlands in order to achieve a number of benefits including; improved water quality, reduced soil erosion, enhanced wildlife habitat and preserved biodiversity. Moreover, the pilot project is consistent with the purpose of

CRP, and if successful, could serve as a model for future farm policy as we look toward the next farm bill.

Even though Tim was able to successfully work together to adopt this CRP-wetlands conservation plan, he understands this will not put an end to some of the disagreement over the management of wetlands. Yet, he is grateful for the leadership demonstrated by South Dakotans on this conservation effort and believes it can serve as a successful model to ensure greater cooperation in the future.

About 9.8% of the eastern South Dakota landscape is covered by wetlands. Roughly 60% of those wetlands are less than half an acre in size, and fewer than 5% of eastern South Dakota wetlands exceed 5 acres.

Conserving Our Natural Resources for Future Generations

Expanding the Conservation Reserve Program (CRP)

During the 106th Congress, Senator Tim Johnson introduced legislation to increase the acreage allotted in the Conservation Reserve Program (CRP). Tim's legislation, S.1961, would raise the CRP acreage allotment from 36.4 million acres to 45 million acres. It was cosponsored by a bipartisan slate of Senators, including John Ashcroft (R-MO); Tom Daschle; Richard Durbin (D-IL); Rod Grams (R-MN); Robert Kerrey (D-NE); Carl Levin (D-MI); and Paul Wellstone (D-MN). Rep. Collin Peterson (D-MN) introduced identical legislation in the House of Representatives.

CRP remains a very popular program in South Dakota and across the nation, taking highly erodible acreage out of production. It benefits the environment by expanding wildlife habitat, enhancing water quality, and fostering soil restoration. Furthermore, the program allows producers the option of idling some land, reducing overproduction during this time of high carryover stocks.

Because it provides important environmental and market benefits, the program has received wide support from landowners, conservationists, and taxpayers.

Other Assistance for our Agricultural Economy

South Dakota Value-Added Agriculture Development Center Funding

Last year, Senator Tim Johnson announced two USDA grants totaling \$224,000 for the South Dakota Value-Added Agriculture Development Center in Aberdeen. Tim knows the entire fabric of our nation's economy depends upon a strong agricultural sector, and value-added agriculture is an integral part of that sector's future. One of the most significant steps we can take to provide a secure future for family farmers and ranchers in South Dakota is to promote value-added agriculture.

One grant awarded to the Value-Added Center provides

\$125,000 to finance feasibility studies, business development plans, market analyses and product development plans for start-up farmer-owned cooperatives in South Dakota.

A second grant of \$99,000 will be devoted to financing the development of small and emerging private businesses in our state.

Founded in June of 1999, the Value-Added Agriculture Development Center provides financial support, technical resources, and other assistance for new value-added agribusiness projects.

Helping Farmers and Ranchers Through Dispute Resolution

Mediation Program Reauthorized for Farmers and Ranchers

Family farmers and ranchers will continue to have access to mediation services in resolving farm program disputes, thanks to legislation introduced by Senator Tim Johnson. Tim introduced legislation (S.2741) that allows the U.S. Department of Agriculture (USDA) to continue funding ag mediation programs run by the states. Tim's bill was passed by Congress and signed by the President late last year.

Tim's bill, which received bipartisan support, extends the USDA certified state farm mediation program, which was set to expire on September 30, 2000. This legislation extends the life of the mediation program through 2005.

The mediation program has proven useful in allowing farmers, ranchers, and creditors to sort through credit disputes without costly litigation. It allows producers to settle their credit and farm program disputes in a way that is fair, but does not require them to fall further into debt because of legal expenses.

Tim's bill also clarifies that mediation services funded through this appropriation can include farm program matters (such as disputed wetland determinations) as well as credit cases involving USDA direct and guaranteed loans, loans from commercial lenders, and other matters.

Nearly every farm and ranch operation must secure credit in order to pay production expenditures necessary to stay in business. A fair and impartial mediator can be a welcome addition to the dispute resolution process, helping both parties negotiate an equitable outcome that protects lender interests while allowing farmers and ranchers to continue production.

Tim's mediation bill allows producers to settle their credit and farm program disputes in a way that is fair, but does not require them to fall further into debt because of legal expenses.

Ensuring Free and Fair Trade for Farmers and Ranchers:

Normal Trading Relations between the United States and China

As a member of the President's Export Council and Ranking Member on the Senate Banking Subcommittee on International Trade and Finance, Senator Tim Johnson fought hard to ensure congressional passage of permanent normal trade relations (PNTR) legislation for the Peoples Republic of China. Tim was an original cosponsor of S.2277, the Senate counterpart to the China trade bill signed into law by President Clinton on October 10, 2000. This landmark legislation will pave the way for China to become a member of the World Trade Organization.

Under the trade agreement struck with China, South Dakota farmers and ranchers will no longer face the crippling obstacles which have kept American agricultural products out of China, including unfair tariffs, unscientific bans, and export subsidies on China's agricultural goods. South Dakota farmers and ranchers can now benefit in many ways from a more robust trade relationship with China.

As one example of the benefits producers could realize, experts point to the fact that a growing middle class in China, combined

with a rising demand for beef in urban areas, could yield a rapidly expanding market for U.S. beef. China currently imports very little beef, but signs point toward a significantly increased demand for beef imports. Indeed, China has already agreed to reduce tariffs on beef products to 12%--down from the 45% tariff which, until recently, essentially priced U.S. beef products out of the Chinese marketplace.

These additional trade opportunities with China could mean better returns for independent cattle ranchers in South Dakota and throughout the nation. China is also expected to reduce the tariff on pork imports from 20% to 12%, thereby opening up new opportunities for South Dakota's pork producers.

Other provisions of the trade agreement call upon China to eliminate its ban on Pacific Northwest wheat imports from the United States, and agree to a substantial increase in the amount of wheat they purchase under their tariff rate quota. In 1998, China imported a mere 2 million metric tons of wheat. The new agreement will allow China to purchase up to 9.6 million tons of wheat below

tariff rate quotas. In fact, in February of this year, China bought nearly 800,000 bushels of hard red winter and spring wheat from South Dakota and several other wheat producing states.

Since South Dakota is a large soybean producing state, the state's soybean farmers and farmer-owned processors of soybeans will benefit from a tariff cut China agreed to make on United States soybean exports. South Dakota farmers also produce substantial bushels of feed grain and corn, the tariffs on which will be reduced. The amount of corn China imports under their tariff quota rate is expected to nearly double as a result of the trade agreement.

While South Dakota agriculture is poised to benefit from greater trade with China, other businesses in our state are set to share in the benefits of a more market-oriented trading system granted by PNTR for China. Today, electronics and electronic equipment comprise 78% of South Dakota exports to China. More than half of the South Dakota firms (58%) that export to China are small and mid-sized enterprises with fewer

than 500 employees. Several are family-owned and operated. All will stand to benefit from China's liberalized quotas on manufacturing equipment, information technology products, electronic goods, and other products exported from South Dakota.

Since 1998, Tim has facilitated a series of trade missions to improve relations with China. In March of 1998, his office hosted senior trade and agriculture officials from the Chinese Embassy on a trade mission to South Dakota. He followed up by leading a delegation of South Dakota farmers to the People's Republic of China on a December, 1998 trade mission. The South Dakota delegation met with trade officials and scholars at Beijing University, the Ministry of Agriculture, and the Ministry of Foreign Trade and Economic Cooperation.

Finally, in May of 1999, a delegation consisting of 29 Chinese trade officials traveled to South Dakota at Tim's request. They met with farm group leaders, toured farming and ranching operations, and visited the South Dakota Soybean Processors plant near Volga. The visit proved to be an excellent demonstration of the wide array of trade opportunities possible between China and South Dakota.

South Dakota State University School Safety Resource Center

Following the 1999 tragedy at Columbine High School in Colorado, Senator Tim Johnson held a series of roundtable “school safety” meetings across the state, bringing together school officials, parents, law enforcement officers, and students. The meetings underscored the need for a resource center in South Dakota where school districts and communities can go to find the best ways to address their specific problems.

Tim shared the information gath-

ered from these school safety meetings with officials at the College of Education and Counseling at South Dakota State University (SDSU), who were in the early stages of developing such a school safety resource center. Tim facilitated a discussion between the SDSU School Safety Task Force and the nation’s premier school violence resource center in North Carolina. These discussions resulted in the launch of the SDSU School Safety website at:

www.learn.sdsu.edu/trenhailej/

Moments for South Dakota Children

Every 4 hours a baby was born into poverty.
Every 3 hours a baby was born to an unmarried mother.
Every 7 hours a baby was born to a teenage mother.
Every day a baby was born to a mother receiving late or no prenatal care.
Every 16 hours a baby was born at low birthweight.
Every 5 days a baby died during the first year of life.
Every 20 minutes a public school student was suspended from school.
Every 4 hours a child was reported abused or neglected.
Every 6 days a child or youth dies by accident.
Every 10 days a child or youth died in an auto accident.
Every 63 days a child or youth was murdered.
Every 26 days a child or youth committed suicide.
Every 28 days a child or youth was killed by a firearm.

Source: Children’s Defense Fund, 1998 data

Adoption

As a member of the bipartisan Congressional Coalition on Adoption, Tim continued his work to reduce the legal and financial barriers many families face when they attempt to adopt a child. Tim joined Senators and Representatives from both parties in sponsoring legislation to grant automatic citizenship to adopted children from foreign countries. He also worked with Senator Jesse Helms (R-NC) on legislation that sets standards and procedures for countries to follow in processing international adoptions. Both measures were passed by Congress and signed into law by President Clinton.

Tim also joined joined Senator Larry Craig (R-ID) in sponsoring legislation to increase federal income tax credits for adoption expenses. This legislation, called the Hope for Children Act (S.341), would also make adoption tax benefits permanent, thereby offering adoptive families some relief from the often-overwhelming costs associated with the adoption process.

Finally, Tim continued to emphasize the importance of adoption by nominating 11 South Dakotans and South Dakota families as "Angels in Adoption." These individuals were recognized both in their local communities, as well as at a Washington, D.C. event, for their unique contribution to adoption awareness.



Reauthorization of the Violence Against Women Act

Senator Tim Johnson's involvement in the campaign to end domestic violence in South Dakota dates back to 1983, when he introduced a measure in the South Dakota State Legislature to help fund domestic abuse shelters through the use of marriage license fees. At that time, thousands of South Dakota women and children were in need of shelters and programs to help them, but few people wanted to acknowledge that domestic abuse occurred in their communities--or even in their own homes.

In 1990, Tim sponsored the original Violence Against Women Act in the U.S. House of Representatives. In 1994, Tim helped get this historic legislation

passed into law. Since the passage of this important bill, South Dakota has received over \$8 million in funding for battered women's shelters and family violence prevention and services.

Last year, Tim once again worked with Senate Judiciary Committee Chairman Orrin Hatch (R-UT) and Senator Joe Biden (D-DE) to reauthorize this legislation and provide additional funding for domestic abuse prevention programs. He waged a successful fight to include a provision targeting \$40 million toward domestic violence programs in rural areas, and the president signed the Violence Against Women Act reauthorization into law last year.

Updating the Missouri River Master Manual

...The projections of barge traffic used to justify the manual's operating plan have never materialized... Instead, the steady flows required by the manual have contributed to the decline of fish and wildlife along the river.

During the 106th Congress, Senator Tim Johnson worked to get Congress' authorization allowing changes to the operations of the Missouri River that would benefit South Dakota. Tim worked closely with Senator Daschle to remove legislative language which had prevented the Army Corps of Engineers from making important updates to the Missouri River Master Manual.

The Army Corps of Engineers' current plan for managing water flow from the Missouri River Dams, known as the "Master Manual", provides relatively steady water flows during the spring, summer and fall to support the downstream barge industry. The Manual has not been substantially revised in 40 years. In that time, the projections of barge traffic used to justify the manual's operating plan have never materialized. The downstream barge industry carries only .3% of all agriculture goods transported in the upper Midwest. Instead, the steady flows required by the manual have contributed to the decline of fish and wildlife along the river.

After more than 40 years, it is time for the management of the Missouri River to reflect the current economic realities of a \$90 million annual recreation impact up-

stream, versus a \$7 million annual navigation impact downstream. Tim was among those who first called for a revision of the Master Manual more than 10 years ago. He firmly believed then, as he does now, that over the years the Upper Basin states have lived with an unfortunate lack of parity under the Missouri River management practices. The strong emphasis on navigation has been detrimental to the river's ecosystems and its recreational uses.

While Tim recognizes that navigation activities often support Midwestern agriculture, the navigation industry has been declining since its peak in the late 1970's. Current economic realities strongly suggest that it is no longer appropriate to give preference treatment to the navigation industry at the expense of other interests.

To counter this problem, the Army Corps of Engineers has proposed a revision of the Master Manual governing river management practices. Throughout the past four years, legislation was passed to prevent these changes from being implemented. However, Tim and Senator Daschle were successful in getting that language removed this year, despite objections raised by those representing downstream states.

The Conservation Reinvestment Act (CARA)

As a member of the Senate Committee on Energy and Natural Resources, Senator Tim Johnson was an original cosponsor and strong supporter of CARA, the most important conservation and wildlife measure that has been put forth in the last 50 years. As originally considered, CARA would guarantee funding for conservation and preservation programs across the nation.

Conservation plans have been authorized over the last 30 years but rarely have these plans been given the resources they need to be effective. The United States has a limited supply of precious resources, and the need to preserve and enhance these treasures for future generations is clear.

Among the key provisions included in the bill were increases to the Payments in Lieu of Taxes (PILT) Program, involving payment to states having large federal land holdings within their boundaries that are not subject to property taxes. Senator Johnson was a strong supporter of the PILT funding increase, which would have doubled South Dakota's PILT funding to nearly \$3.6 million. Tim worked hard to ensure that funding for the PILT program would not be cut.

Although CARA was not enacted, Congress did approve an additional \$50 million for PILT for FY 2001. While this is a step in the right direction, PILT remains underfunded from what Congress has authorized for the program, and

Tim will continue to be a vocal advocate of this program.

Tim was particularly pleased with Title III of the CARA bill, which addressed wildlife conservation, funding preservation efforts for a diverse array of fish and wildlife species, with an emphasis on preventing both game and non-game species from becoming endangered. These goals would be accomplished by conserving important wildlife habitat, funding wildlife inventories to design better management plans, and working cooperatively with private landowners in a non-regulatory, incentive-based manner. Moreover, it would give South Dakota and other states the flexibility to set their own goals in ways that work for them. Early in the legislative process, Tim worked with his colleagues on the Energy Committee to ensure that these provisions were included in the final bill.

The overall CARA package was passed by both the Senate and House of Representatives, but was not enacted. Instead, increased funding for conservation programs was included in the Interior Appropriations bill, and an additional \$50 million was included in the Commerce-Justice State Appropriations bill to enhance wildlife conservation and recreation. While these measures accomplish only a small fraction of what CARA would have provided, they provide a good starting point for future improvements.

Minuteman Missile National Historic Site

Last year, Senator Tim Johnson sponsored legislation that has been enacted to authorize the Minuteman Missile National Historic Site. This legislation provides for the long-term preservation of the Delta One and Delta Nine Minuteman Missile sites in Pennington and Jackson Counties by establishing the "Minuteman Missile National Historic Site" in South Dakota.

With technology dating to the Cuban Missile Crisis, the missile sites in South Dakota are among the oldest in the nation and they are the least altered from the original Minuteman configuration. Consequently, the Air Force and the National Park Service have agreed the facilities are excellent candidates for long-term preservation as part of our nation's Cold War history.

Another step forward for the historic site this year was the

inclusion of \$5 million in FY 2001 for the preservation of these sites. This \$5 million will be used for establishing and administering the new historic site. Preservation of the Minuteman sites in South Dakota is important for our nation's history, as well as ensuring that future generations will understand South Dakota's critically important role during the Cold War.

The establishment of this historic site will preserve an important part of American history and will be an additional visitor attraction to bolster South Dakota's tourism industry. The historic site will immediately enjoy the legitimacy and benefits of associating with the National Park Service system that includes such national treasures as Yellowstone National Park, the Great Smoky Mountains, and four national park units in South Dakota.

Spirit Mound — *Paha Wakan*

In the 106th Congress, Senator Tim Johnson continued his efforts to ensure the federal purchase of Spirit Mound, one of the few remaining physical features of the Upper Missouri River that is readily identifiable as a place visited by Lewis and Clark.

In their diaries, Lewis and Clark document their exploration of the site and the legends about Spirit Mound, known to the local tribes as *Paha Wakan*. Tribal people from the area warned Lewis and Clark that Spirit Mound was occupied by small devils known to kill any human who came near. Though they found no such devils, Lewis and Clark were impressed with the abundance of wildlife and the extraordinary view of the prairie which the hill afforded.

In 1999, Senator Tim Johnson

secured funding for the purchase, restoration, and preservation of Spirit Mound. Such preservation efforts will help to end the irreparable harm being done to this historic site by wind, erosion, and the encroachment of man. Although native wildflowers and grasses still grow on the western slope of Spirit Mound, the rest of the site has been damaged by the harsh effects of cultivation.

The first homesteading patent for the hill was issued in 1881, and most of the site has been farmed for more than a century. The federal purchase of this 320-acre site would end its agricultural use and permit restoration efforts to begin. Ultimately, it is believed that Spirit Mound can be restored to the condition in which Lewis and Clark found it nearly 200 years ago.

“....this hill appear to be a Conic form and by all the different Nations in this quarter is Supposed to be the place of Devels or that they are in human form with remarkable large heads and about 18 inches high.”

--Diary of William Clark, 1804

Lewis and Clark Waterfront Trail in Pierre and Ft. Pierre

Tim worked to pass legislation earmarking \$250,000 to help develop the Lewis and Clark Waterfront Trail in the Pierre/Ft. Pierre area. The funding is a critical component of the project's development in advance of events commemorating the Lewis and Clark expedition. The project will enhance tourism and job creation in the area.

In the next few years, an estimated 25 million people will visit some portion of the Lewis and Clark Trail. Although the Missouri River is already a popular tourist and recreation attraction, funding provided for this project project will allow

development of a 10-mile trail linking 45 existing sites of historic, cultural, environmental, and recreational significance. Once completed, the trail will serve as a cornerstone for economic, recreational, and tourism development activities. The historical importance of the area in conjunction with the commemoration of the Lewis & Clark expedition will provide an exceptional opportunity to publicize the area and establish lasting economic investments. The timing of this investment is vital to take advantage of near term opportunities while focusing on long term efforts to enhance the viability of the local economies.



Preserving Our State's Unique Resources

Forest Fire Relief

When a major fire ravaged parts of the Black Hills National Forest last summer, Senator Tim Johnson responded quickly. As a member of the Senate Subcommittee on Forests and Public Land Management, he worked closely with his colleagues to address the destruction caused by forest fires throughout many parts of the western United States. Ultimately, Congress approved \$1.9 billion in forest fire relief funding, and Tim worked with Black Hills Forest Supervisor John Twiss to ensure that South Dakota received our fair share of those resources.



*Senator Tim Johnson
tours fire-damaged areas
of the South Dakota Black
Hills region, near Jasper.*

Preserving Our State's Unique Resources

Rocky Mountain Research Station

Senator Tim Johnson strongly supported legislation that would bolster the Center for Great Plains Ecosystem Research, a unit of the U.S. Forest Service's Rocky Mountain Research Station. The funding would be used to construct a new facility and to hire new staff.

The center provides valuable research regarding the unique natural resources of the central and northern Great Plains states. With a unique focus on the ecosystems of the prairies, prairie woodlands and forests of the Great Plains, the Center is a one-of-a-kind research base, located in Rapid City.

A new facility is critically needed, since the current structure is inadequate for the type of advanced scientific research the center conducts. Modern facilities are needed to maintain the center's viability, allowing the scientists who work

there to conduct research under appropriate conditions. Without funding for a new facility, it is unlikely that any new research could take place

Tim's work to secure funding for construction of a new research facility and additional staff during FY 2001 will help to keep the facility open throughout the coming year.

Preserving Our State's Unique Resources

Fossil Research

During the 106th Congress, Senator Tim Johnson worked to secure \$290,000 for a pilot project that would allow scientists worldwide to assess fossils through the use of the Internet. Under the pilot program, the South Dakota School of Mines and Technology will be responsible for carrying out a program which posts high resolution, three dimensional images of unique paleontological specimens on the Internet.

In addition to advancing scientific study, Tim hopes that this use of technology will help to end past disputes regarding fossil ownership by ensuring that all scientists will have the ability to study important fossil findings.

The official state fossil of South Dakota is the Triceratops prorsus, a dinosaur from the Cretaceous period. A specimen found in Harding County in 1927 is presently on display at the Museum of Geology in Rapid City.

Fighting for Quality Education and Safe Schools

School Modernization

South Dakota is still mourning the tragic explosion at Plankinton school last November. A leaking propane tank in the school's boiler room caused an explosion and fire which not only destroyed the school, but also killed two school employees and severely injured a third. The community lost a great deal more than a building that fateful day.

In South Dakota, it has become increasingly difficult to pass school bond issues, given the fact that real estate taxes are already high and our state's agricultural sector has been suffering through difficult economic times. The result is an enormous backlog of school construction needs. The costs of repair and replacement only increase with each passing year.

Senator Tim Johnson has been a strong supporter of legislation to help communities repair and mod-

ernize their schools. One measure Tim cosponsored would provide federal tax credits that would help local school districts offset the interest costs of public school bonding initiatives. About 6,000 school throughout the nation need renovation at an estimated cost of \$25 billion. In South Dakota, many schools were built nearly 100 years ago, and schools statewide require modernization at a cost of nearly \$650 million.

Tim's legislation would reduce interest costs on nearly \$60 million bonding authority over a two year period, helping communities like Plankinton build new schools.

Tim was also supportive of a measure signed into law last year what would provide \$1.2 billion in funding for repairs to high-need school districts during FY2001. A total of \$75 billion will be allocated specifically to schools with high concentrations of Native American students--a provision which will be of significant assistance to many South Dakota schools. While this funding increase is a step in the right direction, Tim realizes that there is still more work to be done on improving and modernizing our public schools, and he will continue his work by supporting legislative measures that will bring public school facilities up to code.

In South Dakota, many schools were built nearly 100 years ago, and schools statewide require modernization at a cost of nearly \$650 million.

After-School Programs

Senator Tim Johnson cosponsored an amendment that would increase funding for the 21st Century Community Learning Centers After-School Program to \$1 billion in FY 2001. Although the program didn't receive all of the funding that Tim requested, this popular and effective program received an increase of \$398 million above last year's funding level, with a total appropriation of \$851 million during FY 2001.

The additional funding will mean that many more communities throughout the nation will be assisted by the program, and thousands of schools will be established as 21st Century Community Learning Centers.

This initiative has become a powerful model, demonstrating that schools can provide expanded support for children and

their families through a partnership program. Fifty-five percent of the after-school centers serve rural areas.

In spite of the increased funding levels, the current number of after-school programs is not sufficient to serve all of the children in need. A total of 2,253 communities, representing 10,000 of our nation's schools, participated in this year's competition for 21st Century Community Learning Center grants.

Since funding began in 1998, sixteen South Dakota communities have received after-school program grants. The awards for South Dakota have totaled approximately \$6.6 billion. During that same time period, Minnesota received \$4.9 million in grants, North Dakota received \$2.4 million, and Nebraska received \$1.2 million.

Sixteen South Dakota communities have received grants to develop 21st Century Community Learning Centers. They are:

Parker School District
Rapid City School District
Todd County School District (2 grants)
Sioux Falls School District
St. Francis Indian School
Wolsey Public School
Black Hills Special Services Coop.

Prairie Learning Centers Consortium
Eagle Butte School District
Little Wound School District
Smee School District
Watertown School District
Lake Central School District
Mid-Central Educational Coop.
Shannon County School District

Impact Aid

Since he served in the U.S. House of Representatives, one of Senator Tim Johnson's priorities has been the Impact Aid program, which provides dollars to hundreds of federally-impacted school districts through the nation, including 35 in South Dakota. As a founding Co-Chair of the bipartisan Senate Impact Aid Coalition, Tim has fought hard for funding increases that ensure the viability of this important program. In 1999, the program received about \$864 million in funding. That amount was increased to \$906 million for FY 2000, and Tim was instrumental in securing a funding level of \$993 million for FY 2001.

Last year, when reports surfaced suggesting that Impact Aid funds intended for two South Dakota

schools had been mismanaged by education employees, Tim took action. He immediately contacted the Department of Education to voice his concerns about these serious charges, and received assurances from department officials that appropriate fraud and abuse mechanisms had been put into place which would prevent any such problems in the future.

Despite the misappropriation of funds, South Dakota schools received their full funding allocation. However, Tim will continue to work with the Department of Education to prevent future mismanagement of funds, and has urged his Senate colleagues to pass legislation authorizing an audit of selected education programs.

*Tim Johnson is a founding
Co-Chair of the Senate
Impact Aid Coalition.*

A Stronger Future for Native Americans

Tribal College Construction and Funding

Throughout the 106th Congress, Senator Tim Johnson built upon his past success by securing increased funding for tribal colleges. Tim worked in a bipartisan fashion to gain a funding increase for tribal colleges in FY 2001.

By using an innovative approach which pulled funding away from a variety of less-crucial programs, Tim was able to find approximately \$15.5 million in funding for tribal college construction. The extra funding comes in addition to his efforts to retain the \$38 million in funding for Tribal College operations proposed by President Clinton.

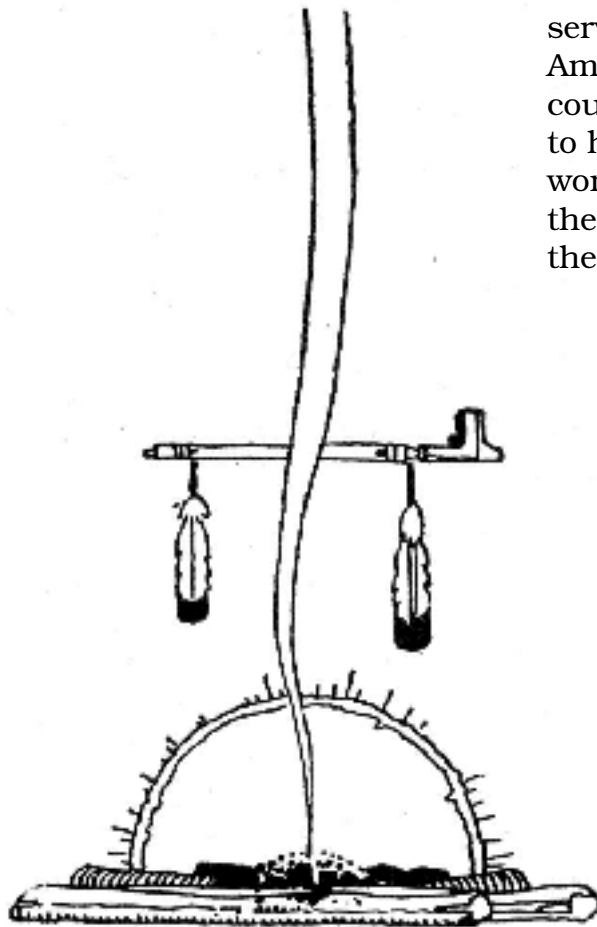


A Stronger Future for Native Americans

Wakpa Sica Reconciliation Place

Senators Tim Johnson and Tom Daschle worked together to secure passage of legislation authorizing the Wakpa Sica Reconciliation Place in Ft. Pierre. The president signed this measure into law in late December of last year.

The measure authorizes construction of a facility that will house both a museum and a court system. The facility will serve as a place where Native Americans and their non-Native counterparts can come together to heal past differences and work together toward improving the lives of all people living in the Great Plains region.



Native American School Bonding Initiative

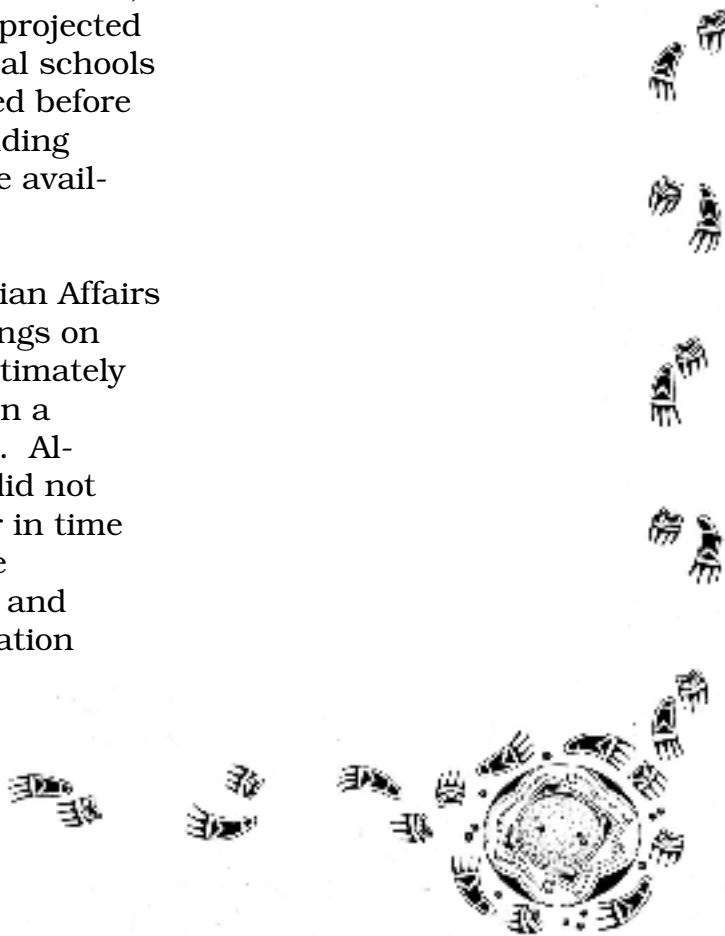
Last year, Senator Tim Johnson made progress in advancing the Indian school construction proposal he has been working on for several years.

In May, Tim reintroduced his Indian School Construction Act (S.2580) which would create a pilot project allowing eligible Tribes to issue bonds for the construction or modernization of tribal schools. The measure would provide bond purchasers with a federal income tax credit in lieu of interest for the duration of the bond. This modest, innovating proposal is projected to allow six to ten tribal schools to be built or renovated before traditional federal funding sources would become available.

In September, the Indian Affairs Committee held hearings on Tim's proposal and ultimately passed the measure on a unanimous voice vote. Although the measure did not reach the Senate floor in time to secure passage, the Committee's hearings and favorable recommendation

mark a significant advancement of the measure, and offer hope for hundreds of children who attend classes in decaying, unsafe or otherwise-inadequate Tribal school facilities.

Tim will continue to work in a bipartisan fashion with with members of both the Senate and the House of Representatives in his efforts to secure passage of this important legislation. He remains optimistic that the measure could be signed into law during the next few years.



Amending The Federal Unemployment Tax Act (FUTA)

Senator Tim Johnson has continued his efforts to provide fair treatment to federally-recognized Indian tribes under federal tax rules.

Previously, federal tax rules treated Tribal governments differently from the federal government, forcing them to pay higher rates under the Federal Unemployment Tax Act (FUTA) than their federal counterparts.

Tim played a pivotal role in securing passage of an amendment that recognized tribal entities as government units to be taxed at the same rate as other government entities. By working with members of both political parties, Tim was pleased to see this amendment pass during consideration of the New Markets Initiative legislation, which was ultimately passed and signed into law. Ultimately, this accomplishment marks another step toward parity for tribes and other local governments affected by the FUTA.

Prescription Drug Fairness For Seniors Act

Since Senator Tim Johnson first introduced the Prescription Drug Fairness For Seniors Act (S.731) early in the 106th Congress, thousands of South Dakotans have contacted him to express their support for his proposal and to offer their names as Citizen Cosponsors of his legislation.

Passage of Tim's bill would provide Medicare beneficiaries with affordable medication by allowing pharmacies to purchase prescription drugs for patients covered by Medicare at the same rate drug companies charge their preferred customers (large HMOs, insurance companies and the federal government).

This landmark legislation differs from other proposals to add a drug benefit to Medicare, in that Tim's proposal does not create a new government bureaucracy and does not have a cost to taxpayers. These unique features made Tim's bill an attractive option to members of both political parties; by the end of the 106th Congress, Tim's bill and its House companion had been cosponsored by more than a 1/3 of Congress.

Unfortunately, the bill was tied up in the Senate Finance Committee. Some of the cost saving principles of Tim's bill are being discussed in the context of a possible Medicare prescription drug benefit, but those discussions led to partisan bickering between

those who want an expanded Medicare benefit and others who prefer to subsidize insurance companies offering expanded drug benefits.

Tim pressed the leadership to hold hearings on drug pricing issues, including his legislation among the many worthy proposals to be studied. The Senate Health, Education, Labor and Pensions Committee held hearings on drug pricing issues last summer, and Tim was a key witness testifying in support of drug pricing legislation that he has sponsored.

Unfortunately, the 106th Congress failed to advance meaningful prescription drug legislation. During the 107th Congress, Tim will reintroduce his legislation and will continue the fight for affordable pharmaceutical products for the patients who need them. By working diligently with members of both political parties, he hopes to develop even greater support for this fiscally responsible piece of legislation.

Johnson's bill would allow pharmacies to purchase their drugs at the same prices pharmaceutical companies charge their "preferred" customers... savings which would cut a senior citizen's drug costs an average of 40%.

Affordable Health Care and Prescription Drugs

International Prescription Drug Parity Act

Senator Tim Johnson was an original cosponsor of the International Prescription Drug Parity Act (S.1191), introduced in June 1999 by a bipartisan group of Senators seeking to end the unfair pricing practices pharmaceutical companies use to charge American consumers more for their products than citizens of any other nation on earth.

Americans pay the highest prices in the world for our prescription medication--typically, we pay about twice as much as our foreign counterparts for the same medication (although we frequently pay even more!). Too many Americans have been forced to cross the border into Canada or Mexico to buy prescription drugs at cheaper prices, since many Americans simply cannot afford the inflated American pricetag. Pharmaceutical companies have been shamelessly price-

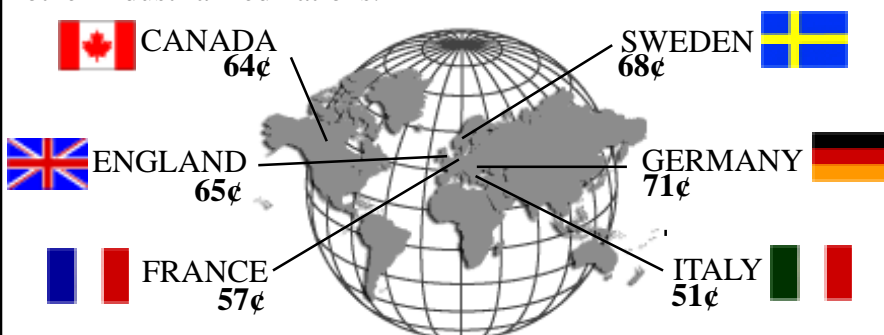
gouging Americans simply because they *are* Americans. Tim intends to work with his colleagues from both parties and put an end to this practice.

Tim's legislation would lower drug prices for U.S. consumers by allowing pharmacies to reimport U.S.-manufactured medication from foreign distributors. The pharmacies could then pass those savings along to consumers. Only drugs approved by the Food and Drug Administration (FDA) which had been manufactured in FDA-inspected facilities could be reimported, and strict record-keeping requirements would maintain product safety.

As Tim and his colleagues have brought this issue to the forefront of public attention, some progress has been made. Tim sponsored a bipartisan amendment to the Agriculture Appropriations bill which was a modified version of his reimportation proposal. Tim's reimportation provisions were changed by legislators representing pharmaceutical manufacturers. Although passage of this modified bill was a step in the right direction, Tim is concerned that the final bill includes restrictions that may prevent the bill from accomplishing its intended outcome. Though passage was good news, Tim cautions that some of the last-minute changes to the bill might have to be addressed before the bill can be of much help to many American consumers.

How Much More Do We Pay?

If Americans pay an average of \$1.00 for a pharmaceutical product, that same product would have a much lower average cost in other industrialized nations.



Source: PRIME Institute, College of Pharmacy, University of Minnesota
Note: Prices are converted to U.S. currency for comparison purposes.

Generic Pharmaceutical Access and Choice For Consumers Act

As one more step in his fight to combat rising prescription drug prices and reduce the cost of medication for consumers in this country, Tim introduced

In 1997 42% of all prescriptions filled were generic substitutes, largely due to the savings they offer. Generics often cost less than half the price of their name-brand counterparts, but the savings are frequently even greater.

the Generic Pharmaceutical Access and Choice for Consumers Act (S.2501) last year. Tim's bill aims to reduce the cost of prescription medication to American taxpayers and the federal government by encour-

aging the use of therapeutically equivalent generic drugs that have been approved by the Food and Drug Administration (FDA). The bill would apply to all federal health care programs, but the requirement could be waived if the non-generic form is ordered by the prescribing physician or requested by the patient.

Tim's legislation works to establish a straightforward and cost-effective means of increasing consumers' access to and choice of safe, affordable generic drugs under these programs.

Generic drugs generally cost 25% to 60% less than brand name prescription drugs, and consumers who choose generic equivalents typically save an estimated \$15 to \$30 (often more) each time they request a generic counterpart when filling a prescription. By making generic equivalents the "default" choice for federal program beneficiaries, the potential savings would be measured in millions of dollars per year.

Affordable Health Care and Prescription Drugs Greater Access to Affordable Pharmaceutical Act

Continuing his efforts to reduce prescription drug costs for Consumers, Senator Tim Johnson was an original cosponsor of the Greater Access to Affordable Pharmaceutical Act (S.3051). This measure was introduced by a bipartisan group of Senators last September in an effort to increase access and utilization of lower cost generic drugs by consumers.

The legislation would allow generic drug companies to compete with brand-name manufacturers by clearing the major obstacles that delay generic drug approval. The act levels the playing field for generic drug makers, allowing them to better compete with large, brand name manufacturer's, and it represents a bold step toward putting consumer health and savings first. The legislation seeks to

bolster the Hatch-Waxman Act, which promoted the growth of the generic drug industry. Loopholes in the patent laws, which benefited brand-name drug manufacturer's, prohibited the bill from ever realizing its full potential.

*Using generic
equivalents of popular
name-brand
medication saves
American consumers
more than \$8 billion
per year.*

Medicare Reimbursements for Health Care Providers

Senator Tim Johnson has continued his fight to reverse the unintended consequences of cuts in Medicare reimbursement rates enacted as part of the Balanced Budget Act of 1997. That law made cuts in Medicare reimbursement rates which were deeper than expected, inflicting a crippling blow to the nation's health care providers.

Last year, Tim helped spearhead an agreement which resulted in the so-called "Medicare giveback" bill totaling \$16 billion for hospitals, nursing homes, home health agencies and other providers throughout the nation.

The agreement was welcome,

Tim sponsored legislation in the 106th Congress that would provide \$80 billion over the next ten years in Medicare reimbursements for rural providers, nursing homes, hospice, home health and beneficiaries.

but the assistance was not sufficient to help many struggling South Dakota providers. Last year, South Dakota experienced its first nursing home closure due to financial loss, and others facilities throughout the nation closed their doors for similar reasons. Rural hospitals and home health agencies were forced to cut back health care services in order to financially survive. As a result, Tim sponsored legislation in the 106th Congress that would provide \$80 billion over the next ten years in Medicare reimbursements for rural providers, nursing homes, hospice, home health and beneficiaries.

Tim strongly supported inclusion of critically important provisions such as telehealth funding which was secured in the final bill. Additionally, Tim was instrumental in adding language to the Medicare bill that would allow independent laboratories and hospitals to maintain their current operating relationships under Medicare, ensuring that rural health care facilities are able to provide the same high quality, comprehensive care to Medicare beneficiaries that is available to their urban counterparts.

Affordable Health Care and Prescription Drugs

Telemedicine Expansion

Delivery of health care services can be difficult in sparsely populated, rural areas. Advancement in telemedicine technology allows rural hospital to link with hospitals in more urban areas.

In an effort to expand telemedicine services beyond professional consultations into providing direct patient care, Senator Tim Johnson cosponsored the Telehealth Improvement and Modernization Act of 2000 (S.2502). That legislation would make all Medicare providers eligible for HCFA reimbursement for services delivered via telemedicine, expanding telemedicine services to direct

patient care. In addition, it would eliminate the provider fee-sharing requirement and the requirement for a telepresenter, as well as allowing limited reimbursement for referring clinics to recover the cost of their services.

Tim's telemedicine legislation was included in the final appropriations bill approved by the Congress and was signed by President Clinton late on December 21, 2000. Provisions of that legislation will enhance the quality of life for all South Dakotans, and will help assure that the health care needs of all South Dakotans are addressed in the years to come.

State Childrens Health Insurance Program (SCHIP) and Social Services Block Grant (SSBG)

Senator Tim Johnson has fought hard against proposed cuts targeting both the SCHIP and SSBG programs. Tim sent letters to Senate leaders in support of these important programs, and has supported legislation opposing the rescission of \$2 billion in funding for the successful SCHIP until the year 2003. Efforts to rescind funding could put children's health funding at risk for certain states, affecting health care for thousands of South Dakota children. Tim also addressed his concerns in letters to Senate leaders, strongly voicing his opposition to proposed cuts in the SSBG program.

The proposed FY 2001 funding level of \$600 million for SSBG would be a devastating reduction from the program's current \$1.8 billion funding level. Tim

will continue the fight for key SSBG programs in South Dakota, including child protective services, welfare block grants, welfare-to-work programs, and services to the elderly.

The Children's Defense Fund reports that as of June 2000, South Dakota had an estimated \$3.2 million unspent Children's Health Insurance Program (CHIP) funds from its FY 1998 allotment.

Kyl-Johnson Federal Prisoner Health Care Copayment Act

South Dakota is one of 38 states participating in a prisoner health care copayment program. Tim, along with Senator Jon Kyl (R-AZ), introduced legislation two years ago, requiring federal prisoners to pay a fee when they

initiate certain visits for medical attention. Fees collected can be used for victim restitution, or may be deposited into the Federal Crime Victims' Fund.

The Senate passed Tim's legislation in 1999, and the House of Representatives passed similar legislation last year. President Clinton signed the Kyl-Johnson Federal Prisoner Health Care Copayment Act (S.704) into law on October 12, 2000. Several South Dakota law enforcement officials have voiced their support for this landmark legislation, including U.S. Marshall Lyle Swenson, Minnehaha County Sheriff Mike Milstead and others, noting the need to collect health care copayments from pre-sentencing federal prisoners being housed in county jails.

...South Dakota law enforcement officials support Tim's bill because of the need to collect health care copayments from pre-sentencing federal prisoners housed in county jails.

Methamphetamine Anti-Proliferation Act

Senator Tim Johnson has continued to help local and state law enforcement officials deal with the rapidly increasing rates of methamphetamine abuse and related crimes in South Dakota.

Methamphetamine (commonly referred to as “meth” or “crank”) has become the drug of choice for too many midwesterners. In fact, Tim pointed to rising rates of meth use when he worked with U.S. Drug Czar Barry McCaffery, to designate a Midwest High Intensity Drug Trafficking Area (HIDTA), and ensuring that South Dakota was included in that program. That

designation will bring both financial resources and technical assistance to local communities in combating meth abuse.

In 1999, Tim joined Senator Tom Harkin (D-IA) in introducing the Comprehensive Methamphetamine Abuse Reduction Act (S.562), a measure that would provide additional funding for law enforcement, prevention programs, and treatment of meth users. The bill also increases criminal penalties for those who produce and traffic meth. Many of the provisions in Tim's bill were added to another meth bill, the Methamphetamine Anti Proliferation Act (S.486), introduced by Senator John Ashcroft (R-MO) and passed by the Senate. Tim joined with Senator Harkin to secure emergency funding for meth lab clean-up efforts in South Dakota and across the nation.

Reauthorization of the Older Americans Act

With Senator Tim Johnson as an original cosponsor, the Senate last October passed legislation to reauthorize the Older Americans Act (OAA). This legislation was signed into law, promising to make significant improvements in the lives of senior citizens, particularly those residing in rural areas such as South Dakota.

The Older Americans Act provides critical funding for several programs that are important to South Dakota senior citizens. The South Dakota Green Thumb program and Meals on Wheels are both funded through OAA, as are 10 adult daycare programs, and services provided by 75 case management workers

throughout our state. Furthermore, 1,000 South Dakotans are employed or are receiving training through Older Americans Act funded programs, and senior nutrition sites funded by OAA served an average of 6,100 meals to seniors in South Dakota every day.

At present, there are an estimated 110,000 seniors living in South Dakota, and our state ranks 8th in the nation in terms of the total percentage our population age 65 or greater. However, the number of seniors in our state is expected to rise sharply in coming years, and by the year 2025 will reach nearly 190,000. At that time, nearly 22% of our state will be considered elderly.

Bringing Local Broadcast Channels to Rural America

Senator Tim Johnson took the lead in drafting legislation that would allow, for the first time ever, rural residents to view local network programming through their satellite dishes. In 1999, Congress passed legislation permitting satellite companies to provide local-to-local television service; instead of viewing nationwide programming, home viewers would be allowed to view local programming with their satellite dishes.

To augment these efforts, Tim spearheaded a loan guarantee

program that would provide government backing for private industry efforts to bring this service to all Americans. He negotiated this bill through two powerful committees on which he serves: the Senate Banking Committee and the Agriculture Committee. Furthermore, Tim worked hard to bring this bill to the Senator floor, and was successful in attaching its provisions in the year-end omnibus appropriations package. As a result of Tim's efforts, the measure was signed into law in December of 2000.

Preserving Small Towns and Family Businesses

Through his position on the Senate Banking Committee, Senator Tim Johnson has been a vocal advocate of small towns and local businesses. One innovative proposal he spearheaded is known as the “Main Street Act” (S.2589), legislation which derives its name from the title’s acronym: **M**eeting **A**merican’s **I**nvestment **N**eeds in **S**mall **T**owns. This important measure would increase the threshold for federal insurance of bank deposits at the rate of inflation. Currently, the Federal Deposit Insurance Corporation (FDIC) ensures all bank deposits up to \$100,000--a limit which has remained unchanged since 1980.

Working with FDIC, the Independent Community Bankers Association and the American Bankers Association, Tim introduced bipartisan legislation that would immediately double the federal

depository insurance level, and would adjust it annually with the rate of inflation.

This change would permit more deposits to remain with rural banks. Furthermore, it would bolster expansion of local economies, since banks would be able to use these additional deposits to fund business expansion and other types of loans.

According to the South Dakota Bankers’ Association, there are 105 banks in South Dakota. Among them, 78 are community banks with less than \$100 million in assets.

Enhanced National Security While Promoting Economic Growth

As Ranking Member on the International Trade and Finance Subcommittee, Senator Tim Johnson worked with subcommittee Chairman Mike Enzi (R-WY) to draft bipartisan legislation renewing the Export Administration Act (EAA). The EAA governs the export of dual-use technology; items that have both civilian and military applications.

The bill Tim helped develop will update our nation's export policy to reflect technology issues. It restores expired control authority, enabling a coherent export policy. It further allows for greater transparency, which facilitates exports from our nation. Finally, it also streamlines control procedures and strengthens our national security.

For the first time in history, the U.S. Department of Defense will have unilateral appeal rights if it believes that an item approved for export could be detrimental to our

national security. Penalties ranging from \$10,000 per violation to up to \$1 million per violation could be assessed of violators. The measure also adopts Cox Committee recommendations regarding tightening export controls, including specific safeguards concerning our commercial relations with China.

Another pivotal feature of this measure is that it ends the practice of using food as a weapon. All sanctions of food and medicine are terminated by the bill with the exception of existing sanctions against Cuba. At a time when our nation's farmers and ranchers continue to suffer from depressed commodity prices, international markets can be an important component of efforts to maintain farm income. Tim strongly believes that American producers should not be punished by diminished trade opportunities with countries that are eager to purchase our food products.

Tim strongly believes that American producers should not be punished by diminished trade opportunities with countries that are eager to purchase our food products.

Improving Opportunities for Working Americans Bankruptcy Reform

Senator Tim Johnson led the fight for meaningful bankruptcy reform during the 106th Congress, including important provisions addressing the special situations of farmers and ranchers.

Tim has been especially troubled by the growing number of personal bankruptcies, particularly as that number continued to climb during recent years of unprecedented economic growth. Tim believes

Rather than discharge all debt... bankruptcy laws should require a careful analysis of what the debtor can afford to repay, and then require that repayment.

Congress must address this issue quickly, before the inevitable economic downswing could have a devastating impact on the nation's economy.

The intention of federal bankruptcy law has always been to provide individuals with a reasonable opportunity for a "fresh start," following severe and unavoidable financial setbacks. Unfortunately, current bankruptcy laws are often

abused, and too many Americans regard bankruptcy as a simple matter of financial planning rather than as a last resort.

Everyone shares the financial burden when an individual or business entity declares bankruptcy, and Tim believes we must find a means of protecting all Americans by reducing the amount of debt discharged in bankruptcy. Instead of discharging all debt or allowing it to be exempted from repayment, Tim believes bankruptcy laws should require a careful analysis of what the debtor can afford to repay, and then require that repayment.

Bankruptcy filings have tripled since 1982. In South Dakota, bankruptcy filings have increased 120% over the past twelve years--a figure that exacts a tremendous toll on the relatively small economy of our state.

The bankruptcy reform bill Tim is advancing would make Chapter 12 (the chapter that applies to farmers and ranchers) a permanent part of bankruptcy law. Previous Chapter 12 provisions expired last June and have not been reauthorized. Although final enactment of bankruptcy reform fell short during the 106th Congress, Tim will continue the fight for meaningful bankruptcy reform that protects consumers, as well as reinstatement of the narrow provisions pertaining to farmers and ranchers.

Expanded Rural Telecommunications

Senator Tim Johnson has actively promoted rural telecommunications interests throughout the 106th Congress. Working closely with the telephone cooperatives that serve most of South Dakota, Tim led a rural task force promoting broadband services in rural America.

Broadband access is necessary to enable our citizens to fully participate in the information age.

Joining forces with ten other senators from the Midwest and Western parts of the United States, Tim urged the Federal Communications Commission (FCC) to create incentives for telecommunications carriers to invest in broadband infrastructure in rural areas. One such approach involved creating of the universal service fund, which helped to bring Internet access to underserved rural areas. Virtually every school district in South Dakota has benefitted from the reduced charges for Internet service, with total savings exceeding \$5 million throughout our state.

Tim also requested that the National Telecommunications and Information Administration (NTIA) and Rural Utility Service (RUS) conduct an assessment of advanced telecommunications and information capacity avail-

able in rural areas, directing them to make legislative and non-legislative recommendations that will help ensure widespread deployment of such services. The results of this landmark survey have already been released and will serve as guideposts for developing telecommunications infrastructure in rural areas.

Tim also promoted legislation that would establish a Rural Advocate position at the FCC (modeled after the Office of Advocacy in the Small Business

Administration). The Rural Advocate would have independent authority to comment on FCC regulations and testify before Congress.

Tim also contacted FCC Chairman William Kennard, urging him to bring forth a rural agenda that would grant specific relief to rural telecommunications providers, making it easier for them to continue serving their rural customers.

Virtually every school district in South Dakota has benefitted from the reduced charges for Internet service, with total savings exceeding \$5 million throughout our state.

Developing Opportunities Throughout Our State

Community Development Financial Institution (CDFI) Fund

Senator Tim Johnson has continued his work with Treasury Secretary Lawrence Summers to make the Community Development Financial Institution (CDFI) Fund more responsive to rural needs.

Through Tim's involvement, South Dakota has received almost 40 times the amount of funding in the past two years than it received during the prior four years of the program.

The CDFI program, which was established in 1994 had only invested \$50,000 in South Dakota initiatives at the end of FY 1998. Following Senator Johnson's intervention, three grants totaling \$608,000 were awarded to South Dakota entities in 1999.

In 2000, CDFI increased its investment in South Dakota, awarding \$1,365,000 to entities serving large regions of the state. Recipients are listed below:

| AMOUNT | RECIPIENT | LOCATION |
|-----------|--|----------|
| \$55,000 | Dakota Bank | Sisseton |
| \$330,000 | The Lakota Fund | Kyle |
| \$980,000 | Loan to Northeast South Dakota Economic Corporation (NESDEC) | Sisseton |

Developing Opportunities Throughout Our State

Lewis and Clark Rural Water System

Final passage of the legislation authorizing the Lewis and Clark Rural Water System last summer was a monumental victory for Senator Tim Johnson, as well as the people of South Dakota. After Tim worked with Tom Daschle to secure Senate passage of this important measure in 1999, he worked with leaders in the House of Representatives to secure passage in that chamber as well. Ultimately, the \$1.6 million in funding for the first year of the project was secured after Tim had worked for more than six years to win congressional approval.

The Lewis and Clark Rural Water System will be crucial to the future growth and economic development of the southeast region of South Dakota, includ-

Ultimately, the \$1.6 million in funding for the first year of the project was secured after Tim had worked for more than six years to win congressional approval.

ing Sioux Falls. As a member of the Senate Energy and Natural Resources Committee, Tim played a pivotal role in securing passage of this project, which will surely be one of the most important infrastructure development projects in South Dakota's history.

Developing Opportunities Throughout Our State

Historic Homestake Opera House in Lead

Senator Tim Johnson worked to pass legislation which earmarked \$250,000 for continued restoration work at the historic Homestake Opera House in Lead, South Dakota. With additional layoffs expected in conjunction with the closing of the Homestake Mine, the community of Lead is facing many economic challenges. Renovation of the Opera House has been identified by local leaders as an important means of attracting tourism and promoting economic development within the community.

The magnificent Homestake Opera House was built by Homestake Mining Company in

With beautiful artwork, chandeliers, decorative plaster and finishes, the historic Homestake Opera House was the center of community life until a fire in 1984.

1912-1914. For decades, it remained at the center of cultural activities during the rapid economic expansion brought on by the expansion of gold excavation in the region.

In 1984, the facility was ravaged by fire, rendering it unusable. However, the local community has rallied together in an effort to ensure the Opera House will be restored for enjoyment by future generations.

Senator Tim Johnson was successful in securing funding to restore this historic landmark. When completed, the facility's theater operations are expected to directly employ a staff of 16, generating an annual payroll of \$215,000. However, the full extent of benefits from this restoration are rooted in the overall impact the project is expected to have on the local economy. By drawing people to the area, enhancing tourism, attracting gaming crowds, and offering the local community a unique facility in which to hold events, it is hoped that the Opera House will once again serve as a boon to the local economy while reminding all of the area's rich history.

Developing Opportunities Throughout Our State

South Dakota School of Mines and Technology Advanced Materials Processing Center

Senators Tim Johnson and Tom Daschle worked together to secure \$7 million for an Advanced Materials Processing Center at the South Dakota School of Mines and Technology (SDSMT). They were successful in seeing that the appropriation was included in the Senate version of the FY 2001 Defense Appropriations bill; unfortunately, the House of Representatives failed to include the project's funding in their version of the bill.

Despite the House's failure to fund the program, Tim convinced Senate and House conferees to include funding for this important project in the final appropriations bill that

was signed into law.

The Advance Materials Processing Center is a one-of-a-kind, state-of-the-art technology that will put the School of Mines at the national forefront in developing new materials. The Department of Defense has an immediate interest in this Center because of its potential to develop lighter and stronger materials which can be used in military aircraft, tanks, and other weapons.

When developed, the center will attract highly-qualified students and employees to SDSMT, along with additional investments from the private and public sectors.

Developing Opportunities Throughout Our State Weather Radio Warning System

Below, a map shows the locations of new and existing weather radio towers throughout our state. When all towers are functional, more than 95% of our state's population will reside within a weather radio coverage area.

In May of 1998, a tornado swept through Spencer, South Dakota, killing six people and injuring more than 150 others. Storms such as this, with winds exceeding 240 m.p.h., can develop very quickly in our state, losses were even greater than expected because a power failure disabled the town's emergency warning system. Many people never knew the tornado was coming until it was too late to seek shelter.

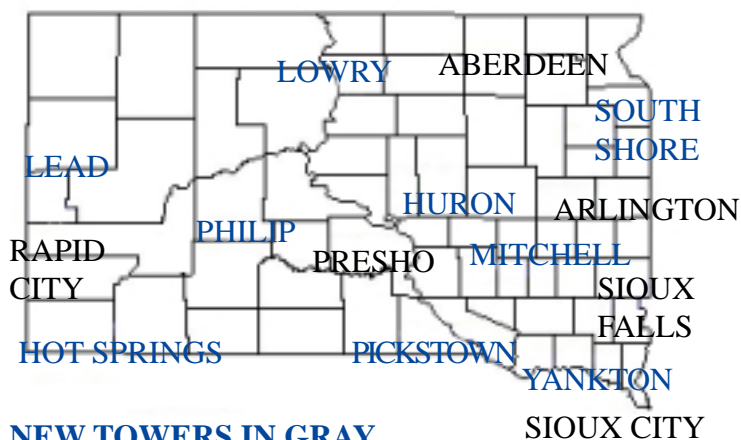
In the weeks and months following the Spencer tornado, Senator Tim Johnson began looking for ways to help other communities find that crucial extra moment to seek shelter that Spencer never had -- the moment that saves lives.

Tim was initially successful in securing pilot project funding for weather radio enhancements throughout our state. Then, in the 106th Congress, he contin-



Above, Tim Johnson presents a weather radio to United Retirement Center in Brookings, while representatives of the Red Cross and Brookings Family Resource Network look on.

WEATHER RADIO TOWERS IN SOUTH DAKOTA



NEW TOWERS IN GRAY
PREVIOUSLY EXISTING TOWERS IN BLACK

ued his efforts to develop and enhance utilization of the weather radio warning system in South Dakota. In addition to securing another \$150,000 to build new transmitters to enhance the Weather Radio signal, Senator Johnson worked with the South Dakota Red Cross, Fannie Mae, and Nyberg's Ace Hardware to establish a weather radio give-away project throughout South Dakota. Over 150 weather radios were purchased and distributed to day care centers and assisted living centers through this joint effort led by Tim.

National Security Begins With Those Who Serve Our Nation

Johnson-McCain Keep Our Promise to America's Military Retirees Act

On the first day of last year's legislative session, Senator Tim Johnson introduced legislation known as the "Keep Our Promise to America's Military Retirees Act" (S.2003). Tim's bill would restore the broken promise of lifetime health care for military retirees and their dependents. Tim worked closely with Senator John McCain (R-AZ) to create a large, bipartisan group of Senate cosponsors, calling for changes that would give military retirees the option of continuing their TRICARE military health coverage or electing to participate in the Federal Employees Health Benefit Program (FEHBP).

Tim offered his legislation as an amendment to the FY 2001 Defense Authorization measure. Although his amendment secured a majority of votes in the Senate, it failed on a procedural technicality. However, Tim was able to convince Senate Armed Services Committee Chairman John Warner (R-VA) to include a section of his bill in both the Senate bill and the compromise version that

was ultimately passed by the House of Representatives and signed into law. That provision ensured extension of TRICARE program benefits to Medicare-eligible military retirees.

Approximately 12,600 military retirees live in South Dakota, and those individuals will benefit from expanded prescription drug coverage Tim helped to secure. This benefit was funded, in part by a special military retiree health care reserve fund that Tim was able to include in the FY 2001 Budget Resolution.



*Senator Tim Johnson
shakes hands with
Marvin Beach at a
veterans meeting in
Rapid City.*

National Security Begins With Those Who Serve Our Nation

Veterans Health Care

During the 1999 budget battle in the U.S. Senate, Senator Tim Johnson was instrumental in securing funding increases for veterans health care programs. Tim was able to secure funding increases totaling \$1.7 billion, which will begin to reverse the negative effects of three years of flatlined veterans health care budgets.

Last year, Tim was able to secure passage of the Senate Budget Resolution that added an additional \$1.9 billion to the prior year's funding for veterans health care. This was the fund-

ing level advocated by 40 veterans groups and medical societies from across the nation.

While the appropriations bill that was eventually signed into law contained a slightly smaller funding increase of \$1.4 billion increase over the prior year's level, Tim's efforts have been instrumental in convincing congressional leaders and the administration to finally begin talking about increases in veterans health care funding, instead of allowing these important programs to falter through flatlined appropriations.

National Security Begins With Those Who Serve Our Nation

Republic of Korea War Service Medal for South Dakota Veterans

This year marks the 50th anniversary of the start of the Korean War, a war that cost the lives of 168 South Dakotans. Currently, 13,000 Korean War veterans live in South Dakota, and Senator Tim Johnson has worked to ensure they receive the recognition they deserve.

The Pentagon recently authorized United States military veterans of the Korean War to wear the Republic of Korea War Service Medal. Tim wrote to the Korean diplomatic officials,

urging the Korean government to provide each American veteran of that conflict with the medal free of charge. The Korean government agreed to Tim's request and Tim has since been coordinating efforts in South Dakota to collect completed medal requests and hold ceremonies honoring our Korean War veterans. To date, over 700 South Dakota veterans have requested Korean War medals through Tim's office and several medal presentation ceremonies have been held across the state.



Senator Tim Johnson presents a Korean War Service medal to one of hundreds of eligible veterans living in South Dakota.

National Security Begins With Those Who Serve Our Nation
Private Relief Legislation for Frances
Schochenmaier of Bonesteel, South Dakota

Herman Schochenmaier of Bonesteel, South Dakota, was wounded by an enemy gun shot while serving in Europe during World War II. Herman received disability compensation from the Department of Veterans Affairs (VA) in 1945.

In 1995, the VA reevaluated Herman's case and admitted that it had erred in rating him below what he should have received in disability compensation. Unfortunately, Herman died one week before the VA corrected this matter, and the agency refused to pay the overdue disability compensation to Herman's widow, Frances.

Four years ago, Senator Tim Johnson began contacting various

VA officials on behalf of Frances. After determining that the VA could not correct this problem without a legislative remedy, Tim introduced a private relief bill for Frances which would allow the VA to pay her the \$60,000 they should have paid Herman prior to his death.

Private Relief Bills are extraordinarily difficult to pass and only a handful have successfully passed in Congress over the last decade.

Tim worked with Senator Jeff Sessions (R-AL) to get his legislation passed in the Senate Judiciary Committee and the Senate. Tim then worked with House Judiciary Committee Chairman Henry Hyde (R-IL) to secure House passage of the bill. The President signed Tim's bill on November 22, 2000.

Tim worked personally with widow Frances Schochenmaier (right) to help correct a VA error that had denied her late husband thousands of dollars in disability compensation.



Johnson-Collins Veterans Higher Education Opportunities Act

Senators Tim Johnson and Susan Collins (R-ME) introduced bipartisan legislation to modernize the Montgomery GI Bill during the 106th Congress. Their bill would update education benefits to active duty military personnel as well as veterans. Currently, only one-half of military personnel use any of their Montgomery GI Bill benefits, largely because the program's benefits do not keep pace with the escalating costs of higher education.

Tim's legislation would tie GI Bill benefits to the costs of attending an average four year public institution as a commuter student.

The benchmark for educational costs would be updated annually by the College Board, allowing GI Bill benefits to keep pace with the cost of obtaining an education.

In addition to bipartisan support in the Senate, Tim's legislation received the support of 45 veterans groups and higher education organizations. While the Senate and House Veterans Affairs Committees did not adopt Tim's legislation in their year-end legislative packages, Tim was successful in convincing Committee members of the need to make modest initial increases in monthly GI Bill benefits.



Senator Tim Johnson received high praise from former Congressman and House Veterans Affairs Committee Chairman Sonny Montgomery (D-AL) at a press conference to announce Johnson's legislation that would improve the G.I. Bill.

National Security Begins With Those Who Serve Our Nation

Global Hawk

Ellsworth Air Force Base is among five bases being considered for the new Global Hawk unmanned aerial vehicle that would bring more than 800 additional military personnel to South Dakota. Senators Tim Johnson and Tom Daschle have worked together to educate top Air Force officials about the benefits of stationing Global Hawk at Ellsworth Air Force Base.

In addition, when faced with potential cuts to the Global Hawk program,

Tim led the effort to persuade Senate and House Armed Services Committee members to fully fund the program. Tim was successful, and program funding was restored in both the Defense Authorization bill and the Defense Appropriations measure.



U.S. Senator Tim Johnson discusses Global Hawk design features with an aircraft engineer working on the project. A lifesize model of the aircraft is visible in the background.

National Security Begins With Those Who Serve Our Nation

Infrastructure Improvements at Ellsworth Air Force Base and the South Dakota National Guard

Throughout the 106th Congress, Senator Tim Johnson continued to work with Tom Daschle toward making improvements to the infrastructure at Ellsworth Air Force Base and the South Dakota National Guard.

Last year, Congress approved the senators request for \$10.29 million, which will be used to construct a much-needed base civil engineer center at Ellsworth. They also approved \$4.9 million to develop a barracks and education facility at

the South Dakota National Guard facility in Sioux Falls, and \$980,000 for the first phase of improvements at Camp Rapid.

Both readiness and retention efforts for members of the nation's armed forces will be bolstered by improvements such as these.

Both readiness and retention efforts for members of the nation's armed forces will be bolstered by these types of improvements.

Relief for Working Americans while Protecting the Federal Treasury

Over the last 7 years, our nation has enjoyed unprecedented economic growth and expansion. Since Congress acted in 1993 to get Federal spending under control while also cutting taxes and the Federal Reserve Board cut interest rates, our economic recovery has been phenomenal.

As we move into the next Congress, we need to be mindful of that growth formula and take action to continue it. Senator

Tim Johnson's efforts to eliminate the marriage penalty and reform estate tax laws have focused on helping working families meet their responsibilities while protecting the taxpayer's interests in minimizing costs to the federal treasury.

During the 106th Congress, Senator Tim Johnson voted to reform estate taxes in a manner aimed at preserving family farms and small businesses. Under current law, a couple with a farm or small business

worth up to \$2.6 million can give it to their heirs tax-free. Nearly 98% of estates are already exempt from federal tax liability because they do not reach that \$2.6 million threshold.

However, Tim supported a plan that would raise that cap to \$4 million by the year 2010, a level which would allow most family farms and small businesses to be transferred without a tax obligation. Only one out of every 100 estates would face any federal estate tax under that proposal, dealing a serious blow to the federal treasury.

In addition to reforming the estate tax, Tim co-sponsored an amendment to provide targeted, comprehensive tax relief for the middle class, dual-income South Dakota families who suffer from a "marriage penalty."

Tim's amendment would have eliminated virtually all of the 65 marriage penalties in the tax code for taxpayers making less than \$100,000 per year, and would have reduced the marriage penalty for couples

...Tim will continue working for tax cuts in the 107th Congress. However, he seeks assurances that those tax cuts will be fiscally responsible...

making upward of that amount. Unlike other marriage penalty measures, Tim's proposal would only have applied to those couples who actually pay a marriage penalty, based upon their earned incomes; it would not have provided an additional windfall to the 41% of American couples who already receive a "marriage bonus" (that is, those couples who pay less in federal taxes than they would if they were filing as single people).

All taxpayers earning \$100,000 per year or less would have had their penalty completely eliminated under Tim's amendment. That would mean that half of all taxpayers who pay a marriage penalty would have received complete and immediate relief; no other marriage penalty proposal offered this type of immediate relief.

Although neither proposal passed, Tim will continue working for tax cuts in the 107th Congress. However, he seeks assurances that those tax cuts will be fiscally responsible, enabling the federal government

to continue reducing the public debt while also shoring up Social Security and Medicare, reducing the cost of prescription drugs, improving education, and expanding access to health insurance.